

Commitment to Excellence

Don Smith, newly elected president of the National Cattlemen's Association (NCA), is calling on producers and others in the beef industry to make a commitment to quality and excellence in all aspects of the beef business.

In his acceptance speech at the 1991 NCA convention, Smith pointed out that industry progress in the '90s would require acceptance of the concept of "total quality management."

This year's convention, held in Dallas, was attended by more than 4,800 cattlemen and women. It was packed with up-to-date information and thought-provoking speeches. The messages were sometimes cautious but mostly positive for today's beef producers.

"When I talk about quality and excellence," Smith said, "I'm really talking about two things. First, there is product excellence. Second, there is business and industry excellence—excellence in the way we run our businesses, in the way we manage our resources, cattle and modern production tools."

Smith emphasized the need for unity in the industry and NCA if our industry is to meet the challenges it faces in the environment, food safety, product quality and other issue areas.

After being on the defensive for years, it's time our industry went on the offensive. We need to build a better image through actions by individual cattlemen and by the industry collectively.

"Let's go to total offense," Smith said. "We can achieve that by doing what the nation's most successful businesses are now doing. We can do it by making a commitment to the concept of total quality management. In today's marketplace, you either make a commitment to total quality or you are forced out of business. That is now the rulebook of American business."

Smith cited developments in the auto business as an example of the importance of quality. He noted the attention to the Malcom Baldrige National Award of Quality. The late Malcolm Baldrige, secretary of commerce under President Ronald Reagan, was a cattleman, team roper and friend of NCA members.

Smith also cited award winners' comments that excellence and quality don't cost; they pay—through better performance, greater efficiency, better service to customers, and elimination of the cost of replacing lost customers.

The beef industry has made progress with programs, such as the beef safety assurance program, and use of better production and land management practices.

He added, however, that he was concerned about the consistent quality, tenderness and waste fat of our beef product.

"Analysts show that we now have excess costs — to the tune of \$150 per head — because of practices like putting on fat and then trimming it off, dark cutters, too many Standards in the mix, and beef that is too tough," Smith said.

Smith concluded his speech with a challenge to beef producers and NCA committee members, as well as with a plea for unity:

"If we act now, by the year 1995 our industry will be perceived by the public as an industry of the highest quality and excellence; an industry that is a good and responsible steward of resources; an industry that produces a truly high quality product. The rewards will be great.

"Whether we're running cattle on public lands in the West, feeding cattle in the Plains, or raising crops and cattle in the Mid-

west, East or South, we all are facing environment related problems. As association members, we must recognize that an attack on one region or one segment of the industry is an attack on all.

"If we ever needed unity in our industry it is now. Unity gives us the strength to meet the challenges we face."



NCA officers for 1991 (l to r): Roger Stuber, first vice president; Don Smith, president; and Jimme Wilson, president-elect.



Senator Conrad Burns (R-Montana) told cattlemen and women in Dallas that for agriculture to win, "We have to start developing faith and trust among the ag groups."

Editor's Note: NCA's 1991 president, Don Smith, is a partner in a family operation called Smith Cattle Inc., which has feeding, farming and ranching operations in Kansas, Colorado and Montana. Don and his wife, Darlene, and their three children make their home in Tribune, Kan. He manages the feeding operations, which includes a 9,500-head feedyard.

A graduate of Colorado State University, Smith has been active in the NCA and Kansas Livestock Association. He has served on NCA's marketing, grading and inspection, resolutions, planning and membership committees.

NCA Launches Environmental Awards Program

Emphasizing the commitment cattle producers have to being good stewards of their natural resources, NCA announced it was launching an Environmental Stewardship Awards program.

"Cattlemen always have been active conservationists," said John Lacey, NCA past president. "Every day is, in fact, Earth day for a cattleman. On a daily basis our work is to protect and renew the resources on which our cattle and our families' lives depend."

NCA's Environmental Stewardship Awards will recognize producers for outstanding and innovative environmental management practices in their operations — projects which also are cost-effective and beneficial to production.

A key component of the program is to further communication and cooperation between producers and environmental organizations. It is part of NCA's environmental plan adopted by the NCA Board of Directors in 1989. The awards program is funded by Pfizer Inc., Animal Health Division.

"This is a living program," Lacey said. The winners are not just given plaques.

They become beef industry spokesmen encouraging beneficial environmental practices and informing the public about the sound environmental foundation of our industry.

"We are looking for examples where producers have improved their operations and environmental practices, and at the same time, improved the bottom line on their financial sheet. Cattlemen are businessmen — they are always working to improve their product and the natural resources on which they depend."

A national selection committee will include representatives from NCA members, federal agencies (Soil Conservation Service, Fish and Wildlife Service and Environmental Protection Agency), universities, and environmental organizations, as well as from Pfizer.

The selection criteria will be sent in March to NCA's affiliated state associations. Each state association will be asked to form a similar selection committee and send winners' names and success stories to the national committee.

The national selection committee then will determine one national winner and

seven regional winners from the state winners. The national and regional winners will be announced at NCA's 1992 Convention in San Diego, Calif. The national winner will receive a \$1,000 cash prize. Feature stories about the winners will be published in a special magazine coordinated by NCA.

An independent survey released last fall showed that since 1980, more than half of producers surveyed had improved conservation practices in all areas — including grazing, wetlands, riparian areas and wildlife habitat. Through good management, such as rotational grazing, the condition of native pasture and grazing land has improved in the last 10 years on 52 percent of the beef operations surveyed. The survey also showed a decrease in pesticide and herbicide use.

This awards program will recognize producers who have done outstanding environmental work in the course of doing business, and give a little special impetus for other producers to keep improving their environmental practices," Lacey said.

How to Deal with Social Activism

Social activists, some of them preaching anti-beef messages, am abroad in the land. Will beef producers fight the advocates of change, or will they find ways to fit into a changing society?

The answer, according to speakers at the 1991 NCA convention in Dallas, is to do both:

Fight the misinformation which many animal rightists and radical environmentalists spew forth, while avoiding elevation of negative issues among a general public. For the most part, the public is still not responding or even listening to the most radical claims.

Fit by responding to legitimate concerns and demonstrating positive actions to assure a sake, healthful beef supply, using environmentally responsible production systems.

NCA's seminar and discussion of social activism and industry responses in the '90s featured four speakers: Ron Duchin, a special interest group analyst from Washington, DC.; Janet Helm, nutritionist with McDonald's Corp.; Mary Hager, Washington DC-based Newsweek correspondent on science and health issues; and Steve Cook, executive vice president of Edelman Public Relations, Washington, D.C.

Here, in brief, is the speakers advice:

1. Respond as needed and correct misinformation, such as that on rainforests and greenhouse gases as related to cattle production. Don't overreact, however, and elevate issues in a counter-productive way.
2. Develop and get sound technical information to news reporters and credible third-party sources — the information gatekeepers — who can emphasize the positives and counter the negatives. Identify potential allies and work with them.
3. Don't just talk about being good stewards. Do new and positive things and then tell about them — things like trimming external fat from beef and expanding a beef safety assurance program among producers. The best public relations is actually doing good and then telling about it.

Members of the National Cattlemen's

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NCA Members Set 1991 Policy

Association considered issues affecting all aspects of cattle production and marketing during the NCA annual convention January 18-23 in Dallas, Texas. Convention-goers adopted 87 resolutions forwarded from the group's nine standing committees. The policy will guide NCA positions on lobbying, research and communications during the coming year.

Policies are decided entirely by grass-roots producers working through NCA's affiliates and extensive committee/council structure. Committees also prioritize issues, which are then submitted to members and affiliates for additional discussion and input. A final priority ranking of issues will be completed by the NCA Board of Directors in April in Washington, D.C.

Some of the key policies adopted by

the membership, listed by committee of origin, follow.

Two key measures from the Ag Policy Committee were to support the inclusion of livestock producers in every federal disaster relief program, and to support the release of a limited amount of acreage now enrolled in Conservation Reserve Program for purposes of rebidding, for not more than five years.

Highlights of the Animal Health and Inspection Committee measures were to urge USDA to resolve inequities between meat and poultry inspection that provide an unfair and anticompetitive economic advantage to the poultry industry and to oppose the proposed Canadian Open Border meat inspection plan.

The Food Policy Committee passed a resolution to support informative labeling

of beef products and development of low-fat/low-cholesterol products, and directed NCA to pursue scientifically based, federal nutrition policy.

Two key measures of the Foreign Trade Committee supported U.S. trade officials' stance that "no agreement is better than a bad agreement" in on-going international GATT talks, and supported negotiations among the U.S., Mexico and Canada to establish a North American Free Trade Agreement.

Marketing Committee resolutions were to request the federal government to more closely monitor mergers and acquisitions among packers and processors, and to accept the final report of the Value Based Marketing Task Force.

NCA's position on the Clean Water Act, up for renewal this year, was outlined by the Private Lands Committee, and the committee also adopted a resolution to formulate and urge adoption of a realistic definition of wetlands and urge specific changes in current federal wetlands policy.

The Public Lands Committee agreed to cooperate in a voluntary assessment of federal lands grazing permit holders with proceeds to be used to fund public education efforts related to federal lands grazing. The committee also reaffirmed sup-

port for the grazing fee formula as established by the 1978 Public Rangelands Improvement Act.

Funding for mapping the bovine genome was supported by the Research and Education Committee, and the committee also supported the use of checkoff funds for help in development of ultrasonic instrument grading systems, investigation of carcass merit EPDs (Expected Progeny Differences) and studies to identify major genes affecting carcass characteristics.

Considering financial interests of cattle producers the Tax and Credit Committee opposed a tax increase to support the cost of the Persian Gulf War. The committee also requested that Congress define legitimate hedge guidelines to include modern hedging techniques, supported line item veto authority for the President, and opposed a value-added tax.

NCA members and the NCA Board of Directors also adopted a resolution supporting the actions of Congress and administration in the effort to free Kuwait and bring peace to the Middle East. The resolution also expressed support for the members of the U.S. armed forces. Many of those attending the NCA convention have close relatives stationed with the American forces in the Persian Gulf.

Tax Agency Grants 1099B Exemption

The Internal Revenue Service has decided that those who purchase agricultural commodities by means of generic commodities certificates and forward contracts are exempt in most instances from Form 1099B filing requirements for 1990 and prior years. The request comes at NCA's urging.

The exemption applies to spot or forward sales of agricultural products and sales of negotiable commodity certificates issued by the Commodity Credit Corporation, initiated by any person, regardless of whether that person takes title to the agricultural products or commodities.

The only transactions not exempted are those involving the sale of the contract itself, commonly referred to as paper sales. Such an exemption already exists for incorporated sellers under temporary Treasury Department regulations.